
HOUSE BILL No. 1031

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-3-20; IC 4-4-30; IC 4-12-11; IC 5-26-4-1; IC 6-3.1; IC 9-24-6-2; IC 9-24-6-12.

Synopsis: Antiterrorism package. Establishes an order of state officers to discharge the powers and duties of the governor if the office of the governor and the office of the lieutenant governor are both vacant. Creates a center for coal technology research to develop technologies to advance the use of Indiana coal and its byproducts. Creates (and abolishes on July 1, 2007) the integrated health and public safety communications account in the tobacco master settlement agreement fund and distributes from the fund into the account \$25,000,000 per year for four years. Provides for the yearly transfer of money from the account into the integrated public safety communications fund. Creates a tax credit for taxpayers that, after September 11, 2001, implement environmental design to prevent the attack and destruction of their buildings. Creates a tax credit for companies that, after September 11, 2001, increase production of antibiotics and vaccines effective against bioterrorism agents. Provides that a volunteer firefighter or volunteer emergency medical technician is eligible for an income tax credit of up to \$500. Requires the bureau of motor vehicles to adopt rules requiring persons seeking a commercial driver's license to: (1) document proof of eligibility for legal employment; (2) document proof of Indiana residency; and (3) in order to obtain a license under reciprocity, pass written and skills tests. Makes technical changes to references to certain federal regulations governing commercial driver's licenses. Prohibits an applicant for a hazardous materials endorsement from obtaining the endorsement if the applicant has been convicted of a felony that resulted in serious bodily injury or death and provides for the revocation of a previously issued endorsement.

Effective: Upon passage; January 1, 2001 (retroactive); January 1, 2002 (retroactive); July 1, 2002.

Murphy, Grubb, Ruppel, Stilwell

January 8, 2002, read first time and referred to Committee on Rules and Legislative Procedures.



C
o
p
y

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE BILL No. 1031

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-3-20 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2002]:

4 **Chapter 20. Discharge of the Governor's Powers and Duties by**
5 **Individuals Other Than the Governor**

6 **Sec. 1. The purpose of this chapter is to implement Article 5,**
7 **Section 10(e) of the Constitution of the State of Indiana.**

8 **Sec. 2. Except as provided in this chapter, an individual holding**
9 **one (1) of the following offices shall discharge the powers and**
10 **duties of the governor if the office of governor and the office of**
11 **lieutenant governor are both vacant, in the order listed:**

- 12 (1) The attorney general.
13 (2) The treasurer of state.
14 (3) The auditor of state.
15 (4) The secretary of state.
16 (5) The state superintendent of public instruction.
17 (6) The clerk of the supreme court.



C
o
p
y

(7) The commissioner of the Indiana department of administration.

(8) The director of the budget agency.

Sec. 3. An individual holding an office or position described in section 2 of this chapter may discharge the powers and duties of the governor only if all of the following apply:

(1) The individual is a member of the same political party as the individual who most recently held the office of governor.

(2) All offices listed in section 2 of this chapter before the office the individual holds are either:

(A) vacant; or

(B) held by individuals who are not members of the same political party as the individual who most recently held the office of governor.

Sec. 4. An individual's authority to discharge the governor's powers and duties under this chapter ends when the general assembly fills the office of governor under Article 5, Section 10 of the Constitution of the State of Indiana.

SECTION 2. IC 4-4-30 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 30. Center for Coal Technology Research

Sec. 1. As used in this chapter, "center" refers to the center for coal technology research established under this chapter.

Sec. 2. As used in this chapter, "director" refers to the director of the department of commerce.

Sec. 3. As used in this chapter, "fund" refers to the coal technology research fund established by section 8 of this chapter.

Sec. 4. As used in this chapter, "Indiana coal" has the meaning set forth in IC 8-1-2-6.1.

Sec. 5. The center for coal technology research is established to perform the following duties:

(1) Develop technologies that can use Indiana coal in an environmentally and economically sound manner.

(2) Investigate the reuse of clean coal technology byproducts, including fly ash.

(3) Generate innovative research in the field of coal use.

(4) Develop new, efficient, and economical sorbents for effective control of emissions.

(5) Investigate ways to increase coal combustion efficiency.

(6) Develop materials that withstand higher combustion temperatures.

C
O
P
Y



(7) Any other matter concerning coal technology research as determined by the center.

Sec. 6. In carrying out its duties under this chapter, the center shall cooperate with and may use the resources of:

- (1) Purdue University and other state educational institutions;
- (2) a state or federal department or agency;
- (3) a political subdivision; and
- (4) interest groups representing business, environment, industry, science, and technology.

Sec. 7. To carry out the center's duties described in section 5 of this chapter, the director or the director's designee, acting on behalf of the center, may:

- (1) organize the center in the manner necessary to implement this chapter;
- (2) execute contractual agreements, including contracts for:
 - (A) the operation of the center;
 - (B) the performance of any of the duties described in section 5 of this chapter; and
 - (C) any other services necessary to carry out this chapter;
- (3) receive money from any source for purposes of this chapter;
- (4) expend money for an activity appropriate to the purposes of this chapter;
- (5) execute agreements and cooperate with:
 - (A) Purdue University and other state educational institutions;
 - (B) a state or federal department or agency;
 - (C) a political subdivision; and
 - (D) interest groups representing business, the environment, industry, science, and technology; and
- (6) subject to the approval of the budget agency, employ personnel as necessary for the efficient administration of this chapter.

Sec. 8. (a) The coal technology research fund is established for the purpose of providing money for the center for coal technology research and for the director to carry out the duties specified under this chapter. The budget agency shall administer the fund.

(b) The fund consists of the following:

- (1) Money appropriated by the general assembly.
- (2) Gifts, grants, and bequests.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same



manner as the treasurer may invest other public funds.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 3. IC 4-12-11 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 11. Integrated Health and Public Safety Communications Account

Sec. 1. As used in this chapter, "account" refers to the integrated health and public safety communications account established by section 2 of this chapter.

Sec. 2. (a) The integrated health and public safety communications account is established within the Indiana tobacco master settlement agreement fund for the purpose of providing funds for a statewide wireless health and public safety voice and data communications system. The account consists of:

- (1) amounts distributed to the account from the Indiana tobacco master settlement agreement fund;
- (2) appropriations to the account from other sources; and
- (3) grants, gifts, and donations intended for deposit in the account.

(b) Twenty-five million dollars (\$25,000,000) shall be distributed from the Indiana tobacco master settlement agreement fund into the account on July 1 of each year for the years 2002 through 2005.

Sec. 3. (a) The account shall be administered by the budget agency.

(b) Money in the account at the end of a state fiscal year does not revert to the state general fund or to the Indiana tobacco master settlement agreement fund but remains available for expenditure.

(c) Subject to review by the budget committee and the budget agency, not later than July 1 of each year, money that is in the account shall be transferred to the integrated public safety communications fund established by IC 5-26-4-1.

Sec. 4. Appropriations and distributions from the account under this chapter are in addition to and not in place of other appropriations or distributions made for the same purpose.

Sec. 5. This chapter expires July 1, 2007.

SECTION 4. IC 5-26-4-1, AS ADDED BY P.L.117-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 1. (a)** The integrated public safety communications fund is established to be used only to carry out the

C
o
p
y



purposes of this article. The fund shall be administered by the commission.

(b) The fund consists of:

- (1) appropriations from the general assembly;
- (2) gifts;
- (3) federal grants;
- (4) fees and contributions from user agencies that the commission considers necessary to maintain and operate the system; ~~and~~
- (5) money transferred from the integrated health and public safety communications account under IC 4-12-11; and**
- (6) money from any other source permitted by law.**

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 5. IC 6-3.1-24 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]:

Chapter 24. Pharmaceutical Production Tax Credit

Sec. 1. As used in this chapter, "antibiotic drug" has the meaning set forth in IC 16-42-3-1.

Sec. 2. As used in this chapter, "base level" means a taxpayer's average daily pharmaceutical production for the three hundred sixty-five (365) day period ending September 11, 2001.

Sec. 3. As used in this chapter, "pharmaceutical production" means a taxpayer's production of antibiotic drugs and vaccines that the federal Food and Drug Administration has approved for the treatment or prevention of bioterrorism agents, including anthrax and smallpox.

Sec. 4. As used in this chapter, "pharmaceutical production expense" means an expense incurred by a taxpayer to increase the taxpayer's pharmaceutical production above the taxpayer's base level.

Sec. 5. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.1 (the gross income tax);**
- (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);**
- (3) IC 6-3-8 (the supplemental net income tax);**
- (4) IC 6-5-10 (the bank tax);**
- (5) IC 6-5-11 (the savings and loan association tax);**



C
o
p
y

1 (6) IC 6-5.5 (the financial institutions tax); and
 2 (7) IC 27-1-18-2 (the insurance premiums tax);
 3 as computed after the application of the credits that under
 4 IC 6-3.1-1-2 are to be applied before the credit provided by this
 5 chapter.

6 Sec. 6. As used in this chapter, "taxpayer" means a person,
 7 corporation, partnership, or other entity that has:

- 8 (1) pharmaceutical production expenses; and
 9 (2) state tax liability;

10 in a taxable year.

11 Sec. 7. This chapter applies to pharmaceutical production
 12 expenses incurred and paid after September 11, 2001.

13 Sec. 8. A taxpayer is entitled to a credit against any state tax
 14 liability that may be imposed on the taxpayer for a taxable year
 15 beginning after December 31, 2000.

16 Sec. 9. The amount of a credit that a taxpayer may receive
 17 under section 8 of this chapter is equal to the lesser of the
 18 taxpayer's state tax liability for the taxable year or the amount
 19 determined in STEP THREE of the following steps:

20 STEP ONE: Add the pharmaceutical production expenses
 21 incurred by the taxpayer in the taxable year.

22 STEP TWO: Multiply the result determined in STEP ONE by
 23 one-tenth (0.1).

24 STEP THREE: Add the product determined in STEP TWO
 25 to the credit carryover, if any, to which the taxpayer is
 26 entitled for the taxable year under section 10 of this chapter.

27 Sec. 10. If the amount determined under section 9 of this
 28 chapter for a taxpayer in a taxable year exceeds the taxpayer's
 29 state tax liability for the taxable year, the taxpayer may carry over
 30 the excess to the immediately following taxable years. The amount
 31 of the credit carryover from a taxable year shall be reduced to the
 32 extent that the carryover is used by the taxpayer to obtain a credit
 33 under this chapter for any subsequent taxable year. A taxpayer is
 34 not entitled to a carryback or refund of any unused credit.

35 Sec. 11. To receive the credit provided by this chapter, a
 36 taxpayer must claim the credit on the taxpayer's annual state tax
 37 return or returns in the manner prescribed by the department of
 38 state revenue. The taxpayer shall submit to the department of state
 39 revenue all information that the department of state revenue
 40 determines is necessary for the calculation of the credit provided
 41 by this chapter and for the determination of whether an expense
 42 was a qualified expense.

C
o
p
y



1 **Sec. 12.** If a pass through entity is entitled to a credit under
 2 section 8 of this chapter but does not have state tax liability against
 3 which the tax credit may be applied, a shareholder, partner, or
 4 member of the pass through entity is entitled to a tax credit equal
 5 to:

- 6 (1) the tax credit determined for the pass through entity for
- 7 the taxable year; multiplied by
- 8 (2) the percentage of the pass through entity's distributive
- 9 income to which the shareholder, partner, or member is
- 10 entitled.

11 **Sec. 13.** This chapter expires June 30, 2007.

12 SECTION 6. IC 6-3.1-25 IS ADDED TO THE INDIANA CODE
 13 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 14 JANUARY 1, 2001 (RETROACTIVE)]:

15 **Chapter 25. Crime Prevention Through Environmental Design**
 16 **Credit**

17 **Sec. 1.** This chapter applies to qualified expenses incurred and
 18 paid after September 11, 2001.

19 **Sec. 2.** As used in this chapter, "crime prevention through
 20 environmental design" or "CPTED" means a method of crime
 21 prevention that includes:

- 22 (1) natural access control;
- 23 (2) natural surveillance;
- 24 (3) target hardening; and
- 25 (4) territorial reinforcement.

26 **Sec. 3.** As used in this chapter, "landscaping materials" means
 27 organic or inorganic materials placed on a sidewalk or the exterior
 28 of a building to enhance its appearance.

29 **Sec. 4.** As used in this chapter, "natural access control" means
 30 a design concept that decreases crime opportunity by:

- 31 (1) encouraging use of public routes; and
- 32 (2) discouraging access to private areas;

33 through the use of structural elements, including landscaping
 34 materials.

35 **Sec. 5.** As used in this chapter, "natural surveillance" means a
 36 design concept that keeps intruders easily observable by
 37 maximizing visibility of people, parking areas, and building
 38 entrances.

39 **Sec. 6.** As used in this chapter, "qualified expense" means an
 40 expense incurred by a taxpayer that is related to the
 41 implementation of CPTED.

42 **Sec. 7.** As used in this chapter, "state tax liability" means a

C
o
p
y



taxpayer's total tax liability incurred under:

- (1) IC 6-2.1 (the gross income tax);
- (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (3) IC 6-3-8 (the supplemental net income tax);
- (4) IC 6-5-10 (the bank tax);
- (5) IC 6-5-11 (the savings and loan association tax);
- (6) IC 6-5.5 (the financial institutions tax); and
- (7) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 8. As used in this chapter, "steel products" means products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated, or otherwise similarly processed, or processed by a combination of two (2) or more of such operations, from steel made in Indiana by the open hearth, basic oxygen, electric furnace, Bessemer, or other steel making process.

Sec. 9. As used in this chapter, "target hardening" means the use of physical features to prohibit entry or access into a building or structure.

Sec. 10. As used in this chapter, "taxpayer" means a person, corporation, partnership, or other entity that:

- (1) has any state tax liability; and
- (2) satisfies at least one (1) of the following conditions:
 - (A) Owns a building or other structure that is at least ten (10) stories high.
 - (B) Has at least one thousand (1,000);
 - (i) tenants;
 - (ii) residents; or
 - (iii) employees;
 working or living in the building or structure.
 - (C) Manufactures defense related, transportation related, or steel products.
 - (D) Produces energy, including heat, light, and power.
 - (E) Refines a crude substance, including oil or petroleum.

Sec. 11. As used in this chapter, "territorial reinforcement" means the use of:

- (1) property lines;
- (2) private space; and
- (3) public spaces;

to create or extend a sphere of influence.

Sec. 12. (a) Subject to section 14 of this chapter, a taxpayer is

C
o
p
y



entitled to a credit against the taxpayer's qualified expenses for a taxable year beginning after December 31, 2000.

(b) The amount of the credit to which a taxpayer is entitled is the qualified expenses paid by the taxpayer during the taxable year multiplied by fifty percent (50%).

Sec. 13. If the amount of the credit determined under section 12 of this chapter for a taxable year exceeds the taxpayer's state tax liability for the taxable year, the taxpayer may carry over the excess to the immediately following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback or refund of any unused credit.

Sec. 14. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department of state revenue. The taxpayer shall submit to the department of state revenue all information that the department of state revenue determines is necessary for the calculation of the credit provided by this chapter and for the determination of whether an expense was a qualified expense.

Sec. 15. If a pass through entity is entitled to a credit under section 12 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

SECTION 7. IC 6-3.1-26 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002 (RETROACTIVE)]:

Chapter 26. Volunteer Public Safety Officer Income Tax Credit

Sec. 1. As used in this chapter, "state income tax liability" means a taxpayer's total tax liability incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax) as computed after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 2. As used in this chapter, "volunteer public safety officer" means a volunteer firefighter (as defined in IC 36-8-12-2) or an

C
o
p
y



1 emergency medical technician (as defined in IC 16-18-2-112)
2 working in a volunteer capacity.

3 **Sec. 3. A volunteer public safety officer is entitled to a credit**
4 **against the officer's state income tax liability in the amount**
5 **determined under section 4 of this chapter.**

6 **Sec. 4. The credit authorized under section 3 of this chapter**
7 **equals the lesser of:**

8 **(1) five hundred dollars (\$500); or**

9 **(2) the volunteer public safety officer's state income tax**
10 **liability.**

11 **Not more than one (1) credit per tax return may be claimed under**
12 **this chapter.**

13 **Sec. 5. To obtain a credit under this chapter, the volunteer**
14 **public safety officer must file with the department proof of the**
15 **volunteer capacity of the public safety officer.**

16 SECTION 8. IC 9-24-6-2 IS AMENDED TO READ AS FOLLOWS
17 [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The bureau shall adopt
18 rules under IC 4-22-2 to regulate persons required to hold a
19 commercial driver's license.

20 (b) The rules must carry out 49 U.S.C. 521, 49 U.S.C. ~~2304~~, **31104**,
21 **49 U.S.C. 2701** ~~31301~~ through ~~2716~~, **31306**, **49 U.S.C. 31308 through**
22 **31317**, and 49 CFR 383.

23 (c) Rules adopted under this section must include the following:

24 (1) Establishment of classes and periods of validation of
25 commercial driver's licenses.

26 (2) Standards for commercial driver's licenses, including
27 suspension and revocation procedures.

28 (3) **Requirements for documentation of eligibility for legal**
29 **employment, as set forth in 8 CFR 274a.2, and proof of**
30 **residence in Indiana.**

31 (4) Development of written or oral tests, driving tests, and fitness
32 requirements.

33 ~~(4)~~ (5) Defining the commercial driver's licenses by classification
34 and the information to be contained on the licenses, including the
35 Social Security number and a unique identifier of the holder.

36 ~~(5)~~ (6) Establishing fees for the issuance of commercial driver's
37 licenses, including fees for testing and examination.

38 ~~(6)~~ (7) Procedures for the notification by the holder of a
39 commercial driver's license to the bureau and the driver's
40 employer of pointable traffic offense convictions.

41 ~~(7)~~ ~~The~~ (8) Conditions for reciprocity with other states, **including**
42 **requirements for a written commercial driver's license test**

C
o
p
y



1 **and operational skills test, and a hazardous materials**
 2 **endorsement written test and operational skills test, before a**
 3 **license may be issued.**

4 ~~(8)~~ **(9)** Other rules necessary to administer this chapter.

5 (d) 49 CFR 383 is adopted as Indiana law.

6 SECTION 9. IC 9-24-6-12 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. **(a)** A driver
 8 who:

9 (1) is:

10 (A) convicted of an offense described in section 8(1) through
 11 8(4) or 8(6) of this chapter; or

12 (B) found to have violated section 8(7) of this chapter; and

13 (2) has been previously convicted in a separate incident of any
 14 offense described in section 8(1) through 8(4) or 8(6) of this
 15 chapter;

16 is disqualified for life from driving a commercial motor vehicle.

17 **(b) A driver who applies for a hazardous materials endorsement**
 18 **and has been convicted of:**

19 **(1) a felony under Indiana law that results in serious bodily**
 20 **injury or death to another person; or**

21 **(2) a crime in any other jurisdiction in which the elements of**
 22 **the crime for which the conviction was entered are**
 23 **substantially similar to the elements of a felony described in**
 24 **subdivision (1);**

25 is disqualified for life from holding a hazardous materials
 26 endorsement.

27 **(c) The hazardous materials endorsement of a driver who holds**
 28 **a hazardous materials endorsement and is convicted of a:**

29 **(1) felony under Indiana law that results in serious bodily**
 30 **injury or death to another person; or**

31 **(2) crime in any other jurisdiction in which the elements of the**
 32 **crime for which the conviction was entered are substantially**
 33 **similar to the elements of a felony described in subdivision**
 34 **(1);**

35 is revoked upon conviction, and the driver is disqualified for life
 36 from holding a hazardous materials endorsement.

37 SECTION 10. [EFFECTIVE JANUARY 1, 2002
 38 (RETROACTIVE)] IC 6-3.1-26, as added by this act, applies to
 39 taxable years beginning after December 31, 2001.

40 SECTION 11. [EFFECTIVE UPON PASSAGE] **(a)**
 41 **Notwithstanding IC 9-24-6-2, as amended by this act, the bureau**
 42 **of motor vehicles commission shall carry out the duties imposed**



1 upon it under IC 9-24-6-2, as amended by this act, under interim
 2 written guidelines approved by the commissioner of the bureau of
 3 motor vehicles.

4 (b) This SECTION expires on the earlier of the following:

5 (1) The date rules are adopted under IC 9-24-6-2.

6 (2) December 31, 2002.

7 SECTION 12. An emergency is declared for this act.

C
o
p
y

